

CERTIFICATE OF DEPOSIT GUIDELINES

{Guidance governing the use of a Certificate of Deposit to meet the bonding requirements for Sewerage Systems as permitted by the Division of Water Resources of the Tennessee Department of Environment and Conservation (TDEC).

NOTICE: In accordance with public policy of the State of Tennessee against unnecessary disclosure of social security numbers as reflected at **TCA §47-18-2110**, the Tennessee Department of Environment and Conservation strongly recommends that social security numbers not be visible on any financial instrument submitted to TDEC as financial assurance. While TDEC will take all measures possible to prevent the improper disclosure of social security numbers from such financial instruments as issued by private financial institutions, TDEC does not accept any liability for any customer's financial losses due to the presence of social security numbers on such instruments held by TDEC as financial assurance.

- (a) The Certificate of Deposit must be registered as follows: "Corporation XYZ and Holder, Tennessee Department of Environment and Conservation or Tennessee Department of Environment and Conservation". All of the above statement within the quotation marks and underlined must be in the registration of the ownership of the account holding the deposit.
- (b) The institution holding the funds must be a commercial financial institution governed by the Federal Reserve and the U.S. Comptroller of the Currency or regulated by the Tennessee Department of Financial Institutions.
- (c) The Certificate of Deposit must be automatically annually renewed with the earned interest released to the principal as accrued.
- (d) The original Certificate of Deposit or safekeeping receipt of the deposit must be submitted to and held by the Division of Financial Responsibility of the Tennessee Department of Environment and Conservation.
- (e) The original Certificate of Deposit or safekeeping receipt must be issued under the official letterhead of the issuing financial institution and must list the address and telephone number of the financial institution and the name of the officer issuing the Certificate of Deposit.
- (f) The owner/operator must complete a Statement of Personal Bond Supported by Certificate of Deposit.
- (g) Accompanying the Certificate of Deposit or safekeeping receipt must be a letter from an officer of the issuing financial institution which attest to the following:
 - 1. That no liens or assignments exist on the deposited funds.
 - 2. That the certificate of deposit is to be automatically renewed each year.
 - 3. That the principal funds of the deposit are irrevocably assigned to the Tennessee Department of Environment and Conservation.
 - 4. That the funds shall not be released to the owner or operator without the written consent of the Commissioner of the Tennessee Department of Environment and Conservation.
 - 5. That the issuing financial institution honors the right of the Commissioner of the Tennessee Department of Environment and Conservation to unilaterally redeem the certificate(s) of deposit for cash in the event the Commissioner of the Tennessee Department of Environment and Conservation executes an order of forfeiture of the funds due to the failure of the Owner/Operator to comply with all applicable Statutes and Rules.